



# Hindustan Unilever Limited

Hindustan Unilever Limited  
Unilever House  
B D Sawant Marg  
Chakala, Andheri East  
Mumbai 400 099

Tel: +91 (22) 3983 0000  
Web: www.hul.co.in  
CIN: L15140MH1933PLC002030

17th January, 2018

Stock Code BSE: 500696  
NSE: HINDUNILVR  
ISIN: INE030A01027

BSE Limited,  
Corporate Relationship Department,  
2nd Floor, New Trading Wing,  
Rotunda Building, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Ltd  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Dear Sir,

**Sub: Investor Presentation**

This is further to our letter dated 8th January, 2018, intimating a presentation to be made to analysts/investors on financial results of the Company for the quarter ended 31st December, 2017 after the Board Meeting.

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation to analysts/investors on financial results of the Company for the quarter ended 31st December, 2017.

Please take the above information on record.

Thanking You.

Yours faithfully,  
**For Hindustan Unilever Limited**



**Dev Bajpai**  
Executive Director, Legal & Corporate Affairs  
and Company Secretary  
DIN:00050516 / FCS No: F3354

AGT

# Hindustan Unilever Limited

DQ '17 Results Presentation : 17<sup>th</sup> January 2018



Surf  
excel



daag achhe hain





# Safe Harbor Statement

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

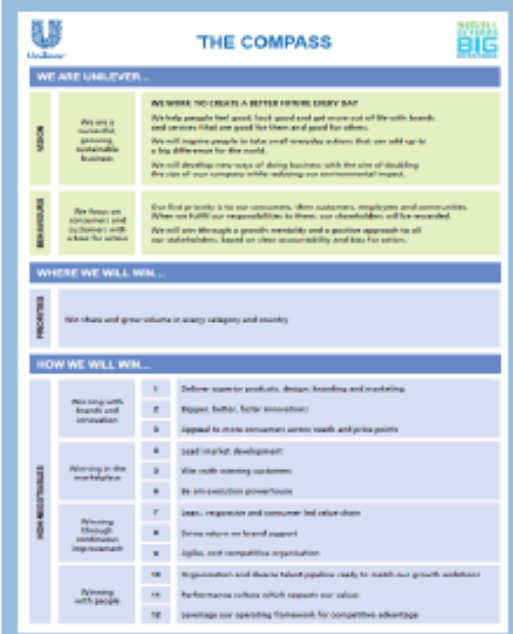


# Agenda

1	Strategy
2	Business Context
3	Current Quarter Performance
4	Nine months results
5	Looking Ahead

# Clear and compelling strategy

## Strategic Framework



**THE COMPASS**

**WE ARE UNILEVER...**

<b>VISION</b>	We are a successful, growing, sustainable business.	<b>WE WORK TO CREATE A BETTER FUTURE EVERY DAY</b> We help people feel good, look good and get more out of life with brands and services that are good for them and good for others. We will inspire people to take small everyday actions that can add up to a big difference for the world. We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.
<b>REALISMS</b>	We focus on customers and customers will be a key for success.	Our first priority is to our customers, then customers, employees and communities. When we fulfil our responsibilities to them, our shareholders will be rewarded. We will use through a proven model and a proven approach to all our stakeholders, based on clear accountability and his for action.

**WHERE WE WILL WIN...**

**PROMISES**  
Win share and grow volume in every category and country.

**HOW WE WILL WIN...**

<b>WINNING WITH BRANDS AND INNOVATION</b>	1	Define superior products, design, branding and marketing
	2	Proven, better, faster innovation
	3	Appeal to more consumers across needs and price points
<b>WINNING IN THE MARKETPLACE</b>	4	Lead market development
	5	Win with existing customers
	6	Be an execution powerhouse
<b>WINNING THROUGH SUSTAINABLE IMPROVEMENT</b>	7	Lean, responsive and consumer led value chain
	8	Strong return on brand investment
<b>WINNING WITH PEOPLE</b>	9	Agile, cost competitive organisation
	10	Engagement and diverse talent pipeline ready to match our growth ambitions
	11	Performance culture which supports our values
	12	Strong and operating framework for competitive advantage

## Sustainable Living Plan



## Goals

**Consistent Growth**

**Competitive Growth**

**Profitable Growth**

**Responsible Growth**



## DQ'17: Market context

- Trade conditions are normalizing
- Gradual improvement in demand
- Input costs continue to inflate



## DQ'17: Strong volume-led growth delivered

- ❑ **Comparable\* Domestic Consumer Growth 17%; Underlying Volume Growth 11%**
  - Base quarter (DQ'16) impacted by demonetization
  
- ❑ **EBITDA at Rs. 1680 Crores up 24%; Comparable\* margin up 110 bps**
  - Strong savings program sustained; Supports reduction of COGS\*
  - A&P\* spends stepped up
  
- ❑ **PAT (bei) at Rs. 1198 crores up 30%; Net Profit at Rs. 1326 crores up 28%**

# 'Accounting' impact of GST on HUL results

With effect from 1st July'17

With effect from 1<sup>st</sup> Oct'17

**PRE GST**

## Net Excise Duty

## Net Input taxes

## Fiscal exemption/ refund

Excise a cost; Turnover gross of excise

Input tax credit availed partially.  
Balance accounted in costs

Benefit of Indirect tax fiscal exemption and refund in excise duty cost

**POST GST**

Turnover in net of GST

Input taxes subsumed under GST and netted from turnover

- Costs lower as full input tax credit and full CENVAT in fiscal sites availed

Reported as Other Operating Income, consequent to the budgetary support scheme released in October'17

**IMPACT POST GST**

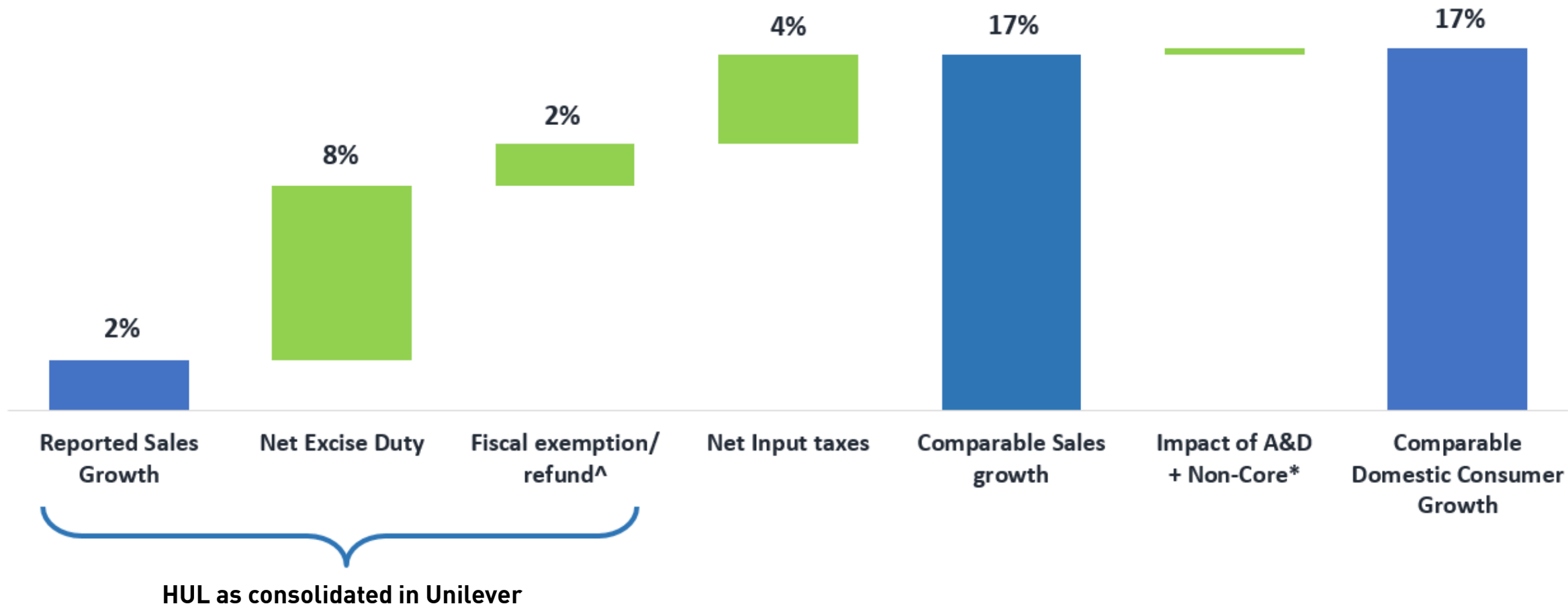
**Reported Turnover:** Lower  
**Absolute EBITDA:** No impact  
**EBITDA margin:** Higher  
**EPS:** No impact

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# 'Accounting' impact of GST on Growth

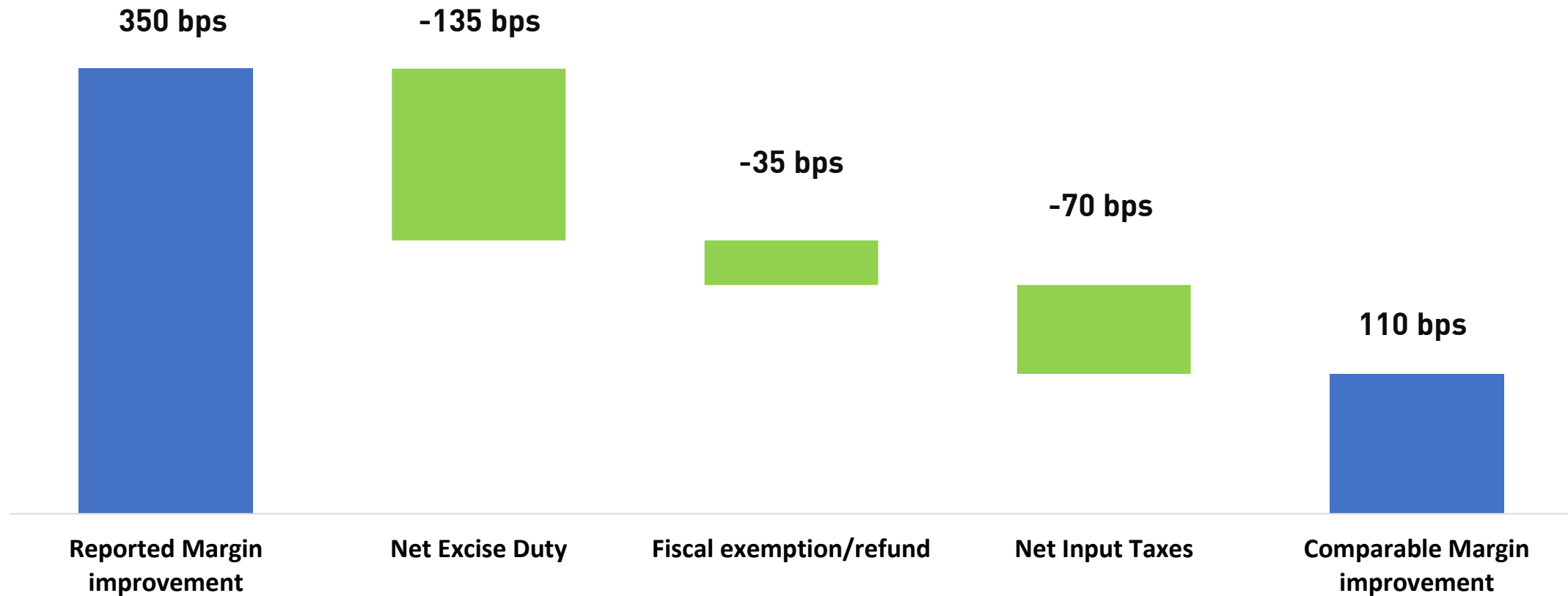


<sup>^</sup>2% includes impact of 6 months

\*Exports + KCLL Traded Turnover 8



# 'Accounting' impact of GST on margins; No impact on absolute EBITDA





# GST 15<sup>TH</sup> NOVEMBER CHANGES

# Immediate steps taken

**Objective: Ensure end consumer gets entire benefit from GST rate reduction with least disruption in trade**

## Trade actions and communication

- Modern Trade advised to pass on benefits to consumers with immediate effect; Implemented quickly
- > 1mn retailers communicated (through our Distributors) to pass on benefits on stocks accruing to them

## New networks

- MRP reductions/ increase in grammage in ~ 800 SKUs
- Significant part of the networks already landed in the market

## Extensive visibility

- In papers and in more than 10 languages





# GST price reductions taken to pass on benefits

REMOVE TOUGH STAINS EASILY  
**SURF EXCEL EASY WASH**  
 500g = ₹52

Max. Retail Price (incl. of all taxes). Offer available in select states/cities only.

sunsilk  
 hair on your side

**HAIRSTYLES BHI NEW, AUR PRICE BHI NEW**  
 Now available at the post GST price of just ₹85/-

180ml shampoo.

**POND'S**

THANKS TO GST,  
 SPOT-LESS FAIRNESS NOW AT AN IRRESISTIBLE PRICE

₹79/- - ₹64/-  
 Get ₹15/- OFF  
 WHITE BEAUTY™ fairness cream

AN ANTI-SPOT SOLUTION BY THE POND'S INSTITUTE. | POND'S.COM

Thanks to GST  
**DEEP CLEAN and MALODOUR REMOVAL**  
 gets more affordable!  
 Now ~~₹52~~ ₹48\*

1kg pack

THANKS TO GST  
 GET OUR BEST EVER FAIRNESS AT AN IRRESISTIBLE PRICE

Fair & Lovely ADVANCED FAIRNESS CREAM

**BRU**

10%\*  
 10% EXTRA

**Knorr** Chinese Noodles  
 Hot & Spicy

SPECIAL OFFER ₹15 ₹12

List of key SKUs with MRP reductions/ increase in grammage – published on HUL website

[Link to the document](#)



# Transition impact

- ❑ As mentioned, implementation of this change was initiated immediately
  
- ❑ Due to paucity of time, entire benefit of the 15<sup>th</sup> November GST rate reductions on some of the pipeline stocks could not be passed on to the end consumers
  
- ❑ Therefore, an estimated value of Rs. 119 cr. was proactively disclosed to the CBEC on this count and we offered to pay this amount suo motu to the Government
  
- ❑ This amount is not recognised as revenue and is accounted as a liability as on 31st December'17

## Broad based volume led growth across segments

Segments	Reported Sales Growth* (%)	Comparable Sales Growth^ (%)
Home Care	3%	20%
Personal Care	0%	17%
Refreshment	7%	13%
Foods	8%	18%
<b>HUL</b>	<b>2%</b>	<b>17%</b>

- **Home Care:** Double digit volume growth across categories
- **Personal Care:** Broad based growth across Personal Products and Personal Wash
- **Refreshment:** Sustained robust performance
- **Foods:** Strong growth led by Kissan

*\*Reported Sales growth = Segment Turnover growth excluding Other Operational Income (Excludes impact of A&D)*

*^Comparable Sales growth = Segment Turnover growth excluding Other Operational Income but including Fiscal exemption/ refund and net of excise & input tax costs in base quarter (Excludes impact of A&D)* 14



# Continued focus on innovations and activations

12 HOUR MOISTURISATION FOR GLOWING SKIN

**LAKME PEACH MILK MOISTURISER AND CRÈME**

REINVENT

**YOGA FOR YOUR LUNGS!**

INDIA'S 1st

Air Purifier certified to remove 99% of the 6 widest range of air pollutants in just 1 hour.

**pureit** AIR PURIFIER

KNOW MORE

**POND'S**

A CHILDREN'S DAY SPECIAL

**kissan** PRESENTS

**#RealTogetherness**

A heart-warming story of friendship between a child and his grandfather

Watch the film on: [/kissanindia](#)

Share your moments of #RealTogetherness on: [/kissanindia](#)

**Knorr** supports WFP

Food lovers. Stop posting. Start sharing.

#ShareTheMeal #Knorr

**Surf excel** #HAARKOHARAO

PLEASE TO LA FAIR RE EX

This winter, give your skin Pond's ki jhappi.

INSIDE: 10 essential nutrients and moisturisers seep deep inside\* to help nourish and moisturise the dry winter skin cells.

OUTSIDE: Makes skin beautifully soft and moisturised on the outside

**POND'S** MOISTURISING COLD CREAM

24 hour moisturisation + nourishment + protection

moisturising cold cream

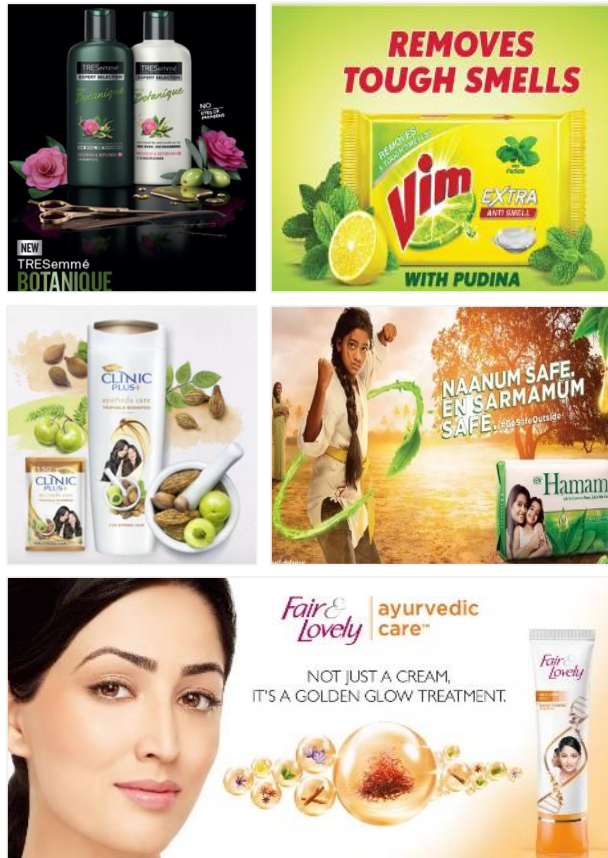
A MOISTURISING BREAKTHROUGH BY THE POND'S INSTITUTE | POND'S.IN





# Progressively building the naturals portfolio

## Within the existing portfolio



## Building a master brand



## Building specialist brands





# Home Care

*Double digit volume growth across categories*



- ❑ **Fabric Wash:** Robust double digit growth across key brands
- ❑ **Household Care:** Growth led by strong performance in Vim
- ❑ **Purifiers:** Pureit launches a range of Air purifiers





# Personal Care

Broad based growth across Personal Products & Personal Wash



- ❑ **Personal Wash:** Robust growth across key brands
  - Dove & Pears lead category growth
- ❑ **Skin Care:** Growth driven by strong performance of Fair & Lovely
- ❑ **Hair Care:** Broad based volume led growth





# Personal Care : Contd.

Broad based growth across Personal Products & Personal Wash



- ❑ **Colour Cosmetics:** Strong growth sustained
- ❑ **Oral Care:** Activations aid growth
- ❑ **Deodorants:** Performance led by Axe





# Refreshment

*Sustained robust performance*



- ❑ **Tea:** Tea continues to deliver double- digit growth through our WiMI strategy and market development
- ❑ **Coffee:** Strong performance delivered
- ❑ **Ice Cream & Frozen Desserts:** Growth momentum continues





# Foods

*Strong growth led by Kissan*



- ❑ **Kissan:** Broad based growth across Ketchups and Jam
- ❑ **Knorr:** Growth was led by a strong performance in Soups





# A&P Strategy: Focused and more effective

## Content

**LUX GOLDEN ROSE AWARDS**  
WHERE STARS BECOME LEGENDS  
—2017—  
*Celebrate THE Beautiful*  
PERFORMANCES BEHIND THE BEAUTIFUL FACES.

**Kissan TIFFIN TIMETABLE**  
Har Din Naya Tiffin  
Har Din Empty Tiffin

**TIFFIN TIMETABLE**

200 Recipes.  
200 School Days.

**BE BEAUTIFUL**  
presents  
**BRIDAL MAKEUP FOR A SANGEET**

## Data & Profiling

**LAKME SALON**

कनसंज्ज्ञा टेसब  
180030000123  
मिस्ट कॉल लगाओ,  
मुफ्त मनोरंजन पाओ.

Hindustan Unilever  
**pureit**  
Pureit Customer Care Number  
1860 210 1000

**Strong data repository**

## Brand experiences

**Knorr**  
#MERASOUPSNACK #KNORR  
VISIT THE KNORR POP UP  
AT THE LIL FLEA AND  
EXPERIENCE THE FUN OF  
MAKING YOUR OWN  
SOUP SNACK

DATE - 15 - 17 DEC 17.  
TIME - 12 PM ONWARDS.  
LOCATION - MMRDA GROUNDS, BKC, MUMBAI.

**POND'S**  
AMONGST 150 MILLION INSTAGRAM  
USERS, 35 MILLION POSTS ARE  
ABOUT SELFIES!  
#SELFIE STORY

Bridal looks by Lakme

**Dazzling Diva**  
Shop now

**#SUNILKINDIA**  
5 POST HAIR WASH TIPS  
& TRICKS

**FEMINA**  
LISA RAY  
10 heroes

**QUALITY WALL'S**



# Strong savings agenda aids YTD margins; Inflationary pressures building up

## Our Program

### Integrated in our culture



### Ownership mindset



### Organisation wide initiative

### End to end program



### Zero Based Approach



### Blue sky thinking

### Enhancing competitiveness



### Market competitive business model



### Cutting complexity; driving agility

### Crude



MQ'16

DQ'17

### Inflationary trends seen



# DQ'17: Results Summary

*Rs. Crores*

Particulars	DQ'17	DQ'16 (Reported)	Growth %
Sales	8,323	8,124	2 <sup>^</sup>
EBITDA	1,680	1,355	24
Other Income	152	83	
Exceptional Items – Credit / (Charge)	(21)	153	
PBT	1,685	1,486	
Less : Tax	359	448	
PAT bei	1,198	920	30
Net Profit	1,326	1,038	28

- Comparable\* Domestic Consumer Growth at 17%<sup>^</sup>
- Other Income up due to dividend income from subsidiary
- Exceptional income includes profit on sale of properties in base (Rs. 159 Crores)
- Tax amount low due to reversal of tax provisions of previous year



**NINE MONTHS ENDING**  
**31<sup>st</sup> DECEMBER 2017**

# Nine Months 2017-18 : Results Summary

Rs. Crores

Particulars	YTD DQ 17	YTD DQ 16 (Reported)	Growth %
Sales	25,616	25,122	2 <sup>^</sup>
EBITDA	5,228	4,396	19
PAT bei	3,726	3,129	19
Net Profit	3,886	3,307	18

- Comparable\* Domestic Consumer Growth at 11%<sup>^</sup>
- Comparable\* EBITDA margin improvement at 150 bps



# Looking ahead

## Near term expectations

- ❑ Gradual improvement in demand to sustain
- ❑ Further inflation in input costs

## Our strategy

- ❑ Continue to remain agile in the face of uncertainty
- ❑ Focus on volume driven growth and improvement in operating margin
- ❑ Consistent, Competitive, Profitable, Responsible Growth



# For more information and updates

## Visit our website

<http://www.hul.co.in/investorrelations/>

### December Quarter 2017 results

Hindustan Unilever Limited will release its financial results for December Quarter 2017 on Wednesday 17 January, 2018.

[> View more](#)



## HUL Investor App

